agricultural situation

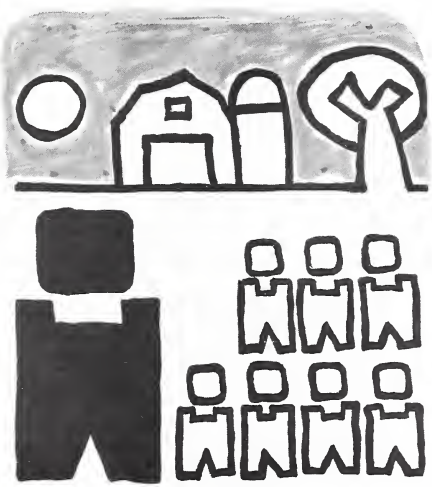
THE CROP REPORTERS MAGAZINE • MAY 1974
U.S. DEPARTMENT OF AGRICULTURE • STATISTICAL REPORTING SERVICE

THE IMPORT OF EXPORTS

Wheat. Rice. Soybeans. Feed grains. Tobacco. Cattle hides. All are part of our farm export market. Equally a part—through perhaps not as obvious—are the thousands of farm and nonfarm jobs and millions of dollars of gross national product that depend on our sales of farm products overseas. The following charts detail some of the effects of farm exports on our economy.

A Million Jobs

Producing the agricultural commodities exported last year required the labor of roughly half a million farmworkers—or one out of every eight people in the farm labor force. And the exports also opened up another half-million jobs off the farm for people engaged in assembling, processing, and distributing the items to be shipped overseas.



One-fourth of Net Farm Income

The record $25 billion-plus in farmers' net income in 1973 was brought about in large measure by the substantial rise in U.S. farm exports. Last year an estimated one-fourth of net farm income came from agricultural sales abroad. Over half the increase in net farm income over 1972 resulted from exports.

More Nonfarm Business

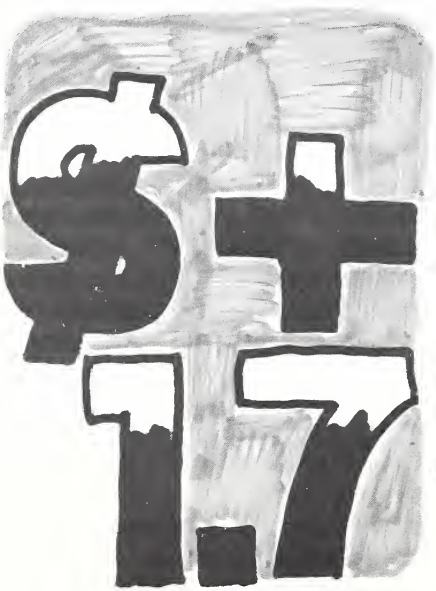
Each dollar's worth of feed grains, wheat, rice, and oilseeds sold for export generates 90 cents worth of business for the nonfarm economy in such sectors as transportation, storage, handling, and marketing. Thus, the more than $8 billion expansion of U.S. agricultural exports in 1973 required around $7½ billion in supporting output from the rest of the economy.

$37.3 Billion in Business Receipts

At the farm gate, the value of our agricultural exports in 1973 amounted to approximately $16.1 billion. But this really represented only about two-fifths of the value of these exports to our total economy. Last year total business generated by farm exports in the nonfarm sector came to nearly $21.2 billion.

Trade Balance in Black

Last year's agricultural trade surplus of $9.3 billion wiped out a deficit of $7.6 billion in our nonfarm trade. This left the Nation with $1.7 billion in the plus column, the first trade surplus since 1970. Farm exports are helping to stabilize the U.S. dollar abroad and strengthening our trade posture, in addition to paying for much needed oil and consumer goods to maintain our level of living.



Government Spending Cut

Because of the substantial rise in agricultural exports and changes in domestic farm programs to help meet total demand, the cost of farm programs is expected to decline to less than $½ billion in 1974 from $2.6 billion in 1973 and the $4 billion spent for these programs in 1972. Exports have also greatly reduced the costs of storage and handling commodities owned by the Commodity Credit Corporation. In 1973 these costs fell to only $32 million, down sharply from $112 million in 1972.

What fabric types do consumers like to sew with best?

Fabrics with a permanent press finish, knit construction, and polyester fibers, according to a recent USDA survey of consumers' buying practices and preferences for fibers in retail piece goods.

Such fabrics were preferred because they were easy to care for and required little or no ironing—which are prime shopping considerations in consumers' minds.

The survey findings bear out what statistics show is happening to U.S. fiber consumption.

Last year, out of an estimated 60 pounds of fibers used per person, manmade synthetics accounted for nearly 70 percent. Cotton use slipped to 17.3 pounds per person, 29 percent of the total, while wool use was less than a pound for a meager 1-percent share.

The USDA study of 1,500 consumers reveals several attitudes towards cotton and wool which are undoubtedly hurting these fibers in their battle with the manmades.

All-cotton fibers fell down badly on the ease of care characteristics which were uppermost in consumers' minds.

Nearly eight out of 10 consumers associated cotton with needing to be ironed and wrinkling easily.

Even cotton's plus—absorbs moisture—wasn't enough to put it on a par with either all-polyester or polyester-cotton blends in the minds of consumers.

Wool's biggest handicap was a reputation with nine out of 10 consumers for not being easy to wash and with six out of 10 for shrinking.

Seven out of 10 of the consumers had heard of washable wool and about a third of the aware group had actually sewn with it. Most were satisfied with the wool's performance. Of the 14 percent who weren't, the biggest complaint was that the wool didn't look quite as nice after washing. A smaller proportion said it shrank.

Other revelations of the USDA study:

—Fabric purchases were made mostly for clothing for females for everyday wear—and more dresses were made than any other clothing item. Only four in 10 consumers reported buying fabric for non-clothing uses.

—Economy was the chief reason two-thirds of the consumers made their own clothes rather than buying readymade garments. But the sewers gave other reasons, too: better fit, greater individuality, more style variety, and creative satisfaction.

—Most buyers who had a particular type of fabric in mind when they went shopping said they bought what they originally intended. The rest bought primarily on impulse—they saw something they liked and purchased it.

—Fabric stores were where most shoppers included in the survey made their piece goods purchases.

THE ESSENTIAL ENUMERATOR

What does it take to be an SRS enumerator?

Bill D., one of SRS' best, smilingly cites two things: the persistence of a bloodhound and the patience of Job.

The work of an enumerator isn't easy. Tracking down and interviewing each land operator in an assigned territory means long hours spent pouring over county road maps and aerial photographs.

The job also involves great patience and painstaking attention to detail to make sure that each and every interview form is filled out completely and correctly.

But despite some difficulties, Bill admits he still thoroughly enjoys his job. An ex-farmer himself, he particularly relishes his contacts with those still in the business.

Bill—and the other men and women like him who serve as survey enumerators—play a vitally important part in SRS' program.

As farms have grown bigger and more specialized, SRS has gone to great pains to develop survey techniques which assure reaching a cross-section of U.S. agriculture.

For each survey, representative areas in all parts of the country are selected for sampling, based on their importance to total U.S. agriculture. Then enumerators are sent out by SRS offices in each State to collect data on every farm having operations within the sample areas. These data are then expanded into totals for the State, region, and Nation.

However, SRS keeps all individual reported data confidential and uses it only in combination with other reports in publishing State and national estimates.

The people whom SRS chooses to do its all-important enumerative work are not usually professional interviewers. Some are farmers themselves, at least on a part-time basis, while some are retired farm operators. Some are farmers' wives. Most have farm backgrounds.

SRS diligently trains these enumerators at both pre-survey schools and on the job so that they know their survey responsibilities and become adept at interviewing.

But successful enumerators are to some extent born, not made. They have an innate love of meeting and dealing with people that makes the detailed paperwork worthwhile.

They also have a passion for thoroughness that makes them perservere til they obtain the last necessary detail on each and every assigned farm operation.

From May 22 through June 4, 1974, SRS will be engaged in its largest enumerative survey effort of the year—the June Acreage, Livestock, and Labor Survey. In the course of this survey, personal interviews will be conducted with roughly 70,000 farmers in 16,300 sample land segments all across the Nation.

The basic thrust of the survey is to gather data on planted acreages of major crops as a foundation for production estimates from July through harvest.

However, important information will also be gathered on farm labor and on hog and cattle numbers which will help in forecasting marketings during the next 12 months.

The June survey is also used to select certain fields of corn, cotton, wheat, and soybeans for counts and measurements to help indicate yields—as important as an acreage base in accurately estimating the size of U.S. crops.

In these yield surveys, the role of enumerators once again comes to the fore.

Each month during the growing season, these men and women visit several thousand small plots to check on crop development. The painstaking counts which they must make of plant populations and production per plant are critical in coming up with accurate estimates of the yield per acre.

PROFILE OF AN ENUMERATOR

SRS had roughly 1,900 enumerators on its active rolls at the start of 1974—with about a 50/50 split between the number of men and women.

California had the greatest number of enumerators on its books, 108, followed by Texas with 90 and Kansas with 83.

Here are some other highlights of an informal enumerator profile drawn by SRS early this year:

Age: Roughly half of the enumerators employed by SRS were in the 40 to 60 age bracket, while only 2 percent were under 21 and 4 percent were 70 or older.

Education: More than half of the enumerators had chalked up 9 to 12 years of schooling. The informal survey showed an additional third had at least some college or post-high school education while almost 4 percent had some graduate education.

Years of SRS experience: Roughly one in 10 of SRS' enumerators had 10 or more years of survey work to his credit, according to the survey findings. And two in 10 men and women have worked for SRS between 5 and 10 years.

Texas had the greatest number of enumerators with 10-plus years of SRS experience, followed by Missouri.

SRS recognized the contributions of these veteran enumerators at its pre-survey state training schools for the June Acreage, Livestock, and Labor Survey.

At that time, 563 men and women were presented with certificates of recognition for their long terms of service. One hundred and eighty-one received awards for completing at least a decade of enumeration, while 382 were honored for completing 5 to 10 years.

INCOME 1974

Farmers started 1974 off with record earnings—and while this year isn't expected to turn out quite as good as 1973 in terms of earnings, it's likely to be the second best on record.

Realized net farm income, under the most probable conditions, is expected to show a $1-2 billion drop from the $26.1 billion of 1973.

However, were output to be low and utilization of major field crops extremely heavy, crop prices this year might be sharply higher—and 1974 income might even top 1973's record net.

Conversely, a big boost in crop production and a falloff in exports might depress prices and lead to considerably lower net farm income.

Here's a brief rundown of what USDA economists foresee:

Cash receipts: Higher prices, coupled with larger marketing, particularly for crops, are expected to push cash receipts up about $9 billion over last year.

Crop prices are expected to average more than 10 percent higher than 1973 while the volume of sales may be up 5 percent. Gains for livestock should be more modest—perhaps 5 percent for prices, 2 percent for marketings.

Government payments: Direct outlays to farmers will probably be less than $½ billion this year, in contrast to $2.6 billion in 1973. Payments under the wheat program appear highly unlikely and the 1973 Farm Act rules out payments for feed grains and cotton this calendar year.

Production expenditures: Farmers' spending on production items will move up sharply again this year, fueled by a dramatic rise in prices for petroleum products and fertilizer.

Continuing inflation will be another factor, and a rise of almost $9 billion appears most likely for total production expenditures.

FARM INCOME

USDA publishes regularly a comprehensive set of income statistics relating to agriculture which have been developed over more than a third of a century. Basically the income estimates center around two major concepts of farm income.

One views agriculture as a business or industry, measuring gross farm income, farm production expenses, and finally the net return to farm operators for their farm work (including that of their families) and for the capital invested in their farms and equipment. The most commonly used measure of the net return from agriculture is the realized net income of farm operators from farming.

The other major concept relates to the people who live on farms and the incomes they have available for purchasing goods and services. This concept includes the income to people living on farms, such as farm laborers and their families, who are not in farm operator households. It also includes income that farm people receive from nonfarm sources. The estimate appropriate to this concept is the personal income of the farm population from all sources.

The tables illustrate the principle concepts involved in both of these farm income estimates and show how they are measured.

Income from Farming — 1973 Preliminary

	Billion dollars
Cash receipts from farm marketings — gross receipts from commercial market sales plus net loans made or guaranteed by CCC.	83.4
Government payments to farmers — payments made directly to farmers in connection with farm programs such as the Feed Grain, Wheat, and Cotton Programs.	+ 2.6
Realized nonmoney income — value of farm products consumed directly in farm households and value of housing provided by farm dwellings.	+ 4.5
Realized gross farm income	90.5
Farm production expenses — includes current farm operating expenses for such items as wages paid to farm labor, and outlays for repairs of equipment and operation of the farm, as well as purchases of feed, seed, and livestock. Overhead costs include charges for depreciation and other capital consumption, taxes on farm property, and interest on the farm mortgage dept.	-64.4
Farm operators' realized net income.	26.1
Net change in farm inventories — a dollar measure of the change in physical quantities of livestock and crops on farms, valued at average prices during the year.	+ .8
Farm operators' total net income.	26.9

Personal Income of Farm Population — 1973 Preliminary

	Billion dollars
Personal income from farm sources — the total net income of farm operators, including government payments, plus wages and salaries and other labor income of farm resident workers, minus the net income of nonresident farm operators and the contributions of farm resident operators and workers to social insurance.	23.5
Income from nonfarm sources — receipts from nonfarm wages and salaries, business and professional income, interest, and transfer payments such as unemployment compensation, social security, and veterans benefits. Also includes rental income from nonfarm sources and an estimate of income from items such as dividends and royalties.	+17.5
Total, all sources	41.0

SURVEYSCOPE

To give our readers a clearer picture of the vast scope of SRS activities, Agricultural Situation presents a series of articles on special surveys undertaken in various States. While these are not national surveys, they are important to the agriculture in individual States.

Thick, green, weed-free. The perfectly manicured lawn stands as the ultimate goal for many a homeowner. And in Virginia this yen for perfection has prompted the growth of a half-billion dollar industry—with annual expenditures of over a quarter billion dollars—centered around the sale of turfgrass and the upkeep of turf area.

Because of the importance of this industry—it has become one of the State's leading growth enterprises—turfgrass interests in Virginia contributed funds for a special survey to collect basic industry statistics.

The objective of the survey, which was carried out by Virginia's Crop Reporting Service, was to gather for the first time the data necessary to "measure" the industry against other businesses in the State and to provide accurate statistics for gauging future progress.

"In terms of area, turfgrass ranks second only to the acreage harvested for hay," says Robert Schooley, statistician in charge of SRS' Crop Reporting Service at Richmond.

"Total maintained turfgrass area in

Virginia's recent urban and suburban buildup has helped make turfgrass production . . .

Virginia was about 618,000 acres in 1972, compared with 995,000 harvested for hay; 502,000 for corn; 350,000 for soybeans; and 218,000 for wheat."

Schooley notes that by far the greatest area devoted to turfgrass within the State was accounted for by the 1.2 million home lawns, which contained 393,000 acres.

"As an indication of the pride in having a neat, well managed lawn as well as its economic value—over 58 million hours of unpaid family labor were used for lawn maintenance in 1972," Schooley mentions, based on the survey findings.

"At $1.60 an hour, the prevailing minimum wage, the value of unpaid family labor devoted to lawn care amounted to over $93.5 million. And an additional $10.4 million was spent for hired labor."

Homeowners also laid out over $61 million for lawn care equipment, $18 million for equipment supplies (gas, oil, and so forth) and repairs, $8.5 million for stablishing new lawn areas, $5 million for fertilizer and multipurpose products, $3 million for grass seed, and $1/2 million for pesticides.

But it has been more than mere homeowners' pride that has given impetus to the growth of Virginia's turfgrass industry, Schooley makes it a point to stress.

The urban and suburban buildup of recent years has caused turf needs to increase not only in residential areas but also in business and industrial complexes, recreational areas and parks, golf courses, highways, schools, churches and cemeteries, and many other areas.

Turfgrass is used in such areas for a good deal more than beautification. Turfgrass combined with shrubberies and trees is used extensively as a safety feature on divided highways. And the grass also serves an economic as well as aesthetic role on many terrains by reducing soil erosion.

. . . and maintenance one of the State's most rapidly growing agricultural enterprises.

Briefings

RECENT REPORTS BY USDA OF ECONOMIC, MARKETING, AND RESEARCH DEVELOPMENTS AFFECTING FARMERS.

TOWARDS $20 BILLION . . . U.S. farm exports are headed for a record breaking $20 billion value in fiscal 1974, up $7 billion from a year ago. Higher prices will account for about 90% of the overall increase, while the export volume of the major bulk commodities may exceed last year's record of 92 million metric tons by about 3 million.

AND AN EVEN BETTER BALANCE . . . The favorable U.S. trade balance will be increased to a record of about $10.5 billion—nearly double that of last fiscal year—despite a larger-than-expected $9.5 billion worth of agricultural imports. The substantial gain in our farm export sales will help to offset the rising cost of U.S. imports of nonfarm products, especially petroleum products.

THE WORLD'S BIGGEST EXPORTER . . . Our farm products accounted for nearly one-fifth of the world's agricultural exports during fiscal 1973, making us the globe's leading farm exporter. Over 479,000 U.S. farmworkers supplied these exports, which amounted to $3.47 for every person living outside the United States.

WHEY WAY . . . Animals may soon "lick" the problem of what to do with excess whey, a byproduct of cheesemaking. USDA scientists have developed a method of making whey into lick blocks, similar to salt blocks. Calves placed on these blocks have used them to replace 20 to 25% of their normal feed ration. The lick block is only one form in which the nutrients from whey can be used in animal feeds. Through ultrafiltration, a process originally developed for the desalination of sea water, the USDA researchers have derived a whey permeate which, after evaporation and solidification, can be crushed and dry blended with other feed or pelleted. This development may provide cheesemakers with a useful outlet for their excess whey . . . and give producers another source of high protein feeds.

ACREAGE UPDATE . . . Planting intentions for 16 crops show a total of 227 million acres for 1974, according to a March 1 survey. That's 4%, or 9 million acres more than last year. Here's a crop by crop rundown:

Crop	1974 March intentions	1973 plantings	1974 as a % of 1973
	Thousand acres	*Thousand acres*	*Percent*
All corn	78,803	71,611	110
All sorghum	19,017	19,303	99
Oats	18,930	19,208	99
Barley	9,534	11,335	84
Durum wheat	4,243	3,042	139
Other spring wheat	15,378	12,811	120
Rice	2,377	2,181	109
Soybeans	55,041	57,297	96
Flaxseed	1,790	1,777	101
Peanuts	1,525	1,541	99
Cotton	14,807	12,501	118
Potatoes	1,344	1,328	101
Sweetpotatoes	123	118	105
Tobacco	979	892	110
Dry beans	1,705	1,417	120
Dry peas	198	147	135
Sugarbeets	1,270	1,282	99

CONSERVATION CRITICAL . . . Of the 9.5 million acres of forest, grasslands, and set-aside which are likely to shift back to cropland use this year, nearly half may be subject to excessive soil erosion, according to special USDA soil surveys in the field. It will be critical for farmers in erosion-prone areas to get their new crop acres under some sort of conservation program and to apply measures to stop excessive soil losses. Helpful practices include crop rotation, stripcropping, terracing, and contour plowing, as well as newer minimum tillage techniques. Local offices of USDA's Soil Conservation Service or individual conservation districts can help.

PINPOINTING THE PROBLEM SPOTS . . . The most erosion-prone of the new cropland areas are the High Plains of western Texas and Oklahoma and eastern New Mexico, where unprotected land and lack of rainfall could produce soil losses from wind estimated at from 50 to 300 tons per acre each year. In the Corn Belt, about 1.7 million acres newly converted to crops may suffer severely from water action. Soil losses

could run from 15 to 30 tons per acre per year. Other parts of the country have problem spots, too. These range from the Palouse in the Northwest to the Piedmont and Coastal Plains of the Carolinas, and from the northern Great Plains to the Rio Grande Valley.

TAX TALK . . . Taxes levied on farm real estate (land and buildings) totaled a record $2.77 billion in 1972, up 4.1% from the year before. This was the 30th consecutive annual increase, but it was the lowest percentage rise in 8 years.

MARKET VALUES of privately owned farm real estate rose faster than taxes during 1972, causing the effective tax rate to decline from $1.21 per $100 of full value in 1971 to $1.15. This was the first decline since 1964 and the largest absolute decline since 1951.

PER ACRE TAXES levied on farm real estate went up in 42 States during 1972 with the largest increase, 21.7%, in Oklahoma. Ten other States had hikes of 10% or more. Decreases occurred in eight States, ranging from 1% in Delaware to 16.8% in Alaska.

RENTAL REVIEW . . . About two-fifths of U.S. farmland was rented at the time of the last agricultural census, with the proportion ranging from 20% or less in the Northeast and Appalachian regions to over 40% in parts of the Corn Belt, Great Plains, and Western States. USDA economists noted a number of reasons for the differing rental rates: In the Corn Belt States relatively high land values and the resulting large investment requirements encourage rental as an alternative to owner operation. In the West much land is rented for the more extensive uses such as summer fallow-wheat production and livestock grazing. Throughout the Northeast, Appalachian, and Southeast regions less land is rented—partly because of smaller farm units and greater reliance on off-farm income sources. These reduce the relative importance of the land base in the operator's financial position.

PART-OWNERS PREVAIL . . . Throughout the country, the major share of rented land—almost two-thirds—was rented by part owners (that is, operators of land they own as well as land rented from others). Reliance on leasing increased with increasing acreage, the economists also noted. The proportion of land rented rose from about 20% on farms of less than 100 acres to about 45% on farms of 1,000 acres or more.

Statistical Barometer

Item	1972	1973	1974—latest available data	
Prices:				
All prices received by farmers (1967=100)	126	172	203	February
Crops (1967=100)	115	164	223	February
Food grains (1967=100)	109	212	367	February
Feed grains and hay (1967=100)	105	162	230	February
Feed grains (1967=100)	101	161	234	February
Cotton (1967=100)	127	149	250	February
Tobacco (1967=100)	123	129	138	February
Oil crops (1967=100)	116	209	219	February
Fruit (1967=100)	115	131	136	February
Fresh market[1] (1967=100)	122	138	135	February
Commercial vegetables (1967=100)	116	137	144	February
Fresh market (1967=100)	131	162	169	February
Potatoes, sweetpotatoes, and dry edible beans (1967=100)	121	208	337	February
Livestock and products (1967=100)	134	178	190	February
Meat animals (1967=100)	147	198	199	February
Dairy products (1967=100)	120	138	172	February
Poultry and eggs (1967=100)	103	175	191	February
Wool (1967=100)	90	204	178	February
Prices paid, interest, taxes, and farm wage rates (1967=100)	127	145	159	February
Ratio[2] (1967=100)	100	118	128	February
Consumer price index, all items (1967=100)	125	133	140	January
Food (1967=100)	124	141	154	January
Farm Income:				
Volume of farm marketings (1967=)	112	110		---
Cash receipts from farm marketings ($bil.)	60.7	83.5		---
Crops ($bil.)	25.1	38.2		---
Livestock ($bil.)	35.6	45.3		---
Realized gross farm income ($bil.)	68.9	90.5		---
Production expenses ($bil.)	49.2	64.4		---
Realized net farm income ($bil.)	19.7	26.1		---
Income and Spending:				
Disposable personal income, total ($bil.)	797.0	882.6		---
Expenditures for food ($bil.)	125.0	139.0		---
Share of income spent for food (percent)	15.7	15.8		---
Farm Food Market Basket:[3]				
Retail cost (1967=100)	121	142	156	January
Farm value (1967=100)	125	167	184	January
Farmer's share of retail cost (percent)	40	46	46	January
Agricultural Trade:				
Agricultural exports ($bil.)	9.4	17.7	1.8	January
Agricultural imports ($bil.)	6.5	8.4	0.8	January

[1]Fresh market for noncitrus and fresh market and processing for citrus.
[2]Ratio of index of prices received by farmers to index of prices paid, interest, taxes, and farm wage rates.
[3]Average quantities per family and single person households bought by wage and clerical workers, 1960-61, based on Bureau of Labor Statistics figures.

AGRICULTURAL SITUATION

MAY 1974 ● VOL. 58 NO. 4
GERALDINE SCHUMACHER, EDITOR

The Agricultural Situation, published 11 times a year by USDA's Statistical Reporting Service, is distributed free to crop and livestock reporters in connection with their work. Contents of the magazine may be reprinted with out permission. Use of funds for printing this publication were approved by the Office of Management and Budget, January 15, 1974. Subscription price $2.40 a year ($3.00 foreign). Single copies 25 cents. Order from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

U. S. GOVERNMENT PRINTING OFFICE : 1974 O - 536-268

U.S. DEPARTMENT OF AGRICULTURE
STATISTICAL REPORTING SERVICE
WASHINGTON, D.C. 20250

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